

dends before the state intervened to take a part of the remainder. An allotment of twenty per cent, of surplus profits above this first dividend was then to be paid into the reserve fund of the bank until this fund attained sixty million marks (\$14,280,000). After this distribution, three-quarters of the remaining profits went into the public treasury and only the remaining one-quarter to the shareholders.¹

The number of shareholders increased from 7877 at the close of 1894 to 18,6x6 at the close of 1907, of whom 16,553 were German subjects and the remainder were foreigners. The number of employees increased in the same period from 1745 to 3224. The number of offices of the bank on December 31, 1906, was 470.

One of the important services rendered to German commerce by the Imperial Bank, which takes the place in some degree of the clearing and cheque system, is the transfer of deposits on current account (*Giro Verkehr*). By this system a person in any town where there is a branch of the bank, wishing to make a payment to some one in another town, may pay the amount into the local branch of the Imperial Bank and it will be credited on the following day to the current account of the person in whose favor it is deposited. These transfers are made without charge and it is not necessary that the person making the payment shall have an account at the bank. The system was devised partly to facilitate transactions in different parts of the Empire and

*Xhe lion's share going to the government under these provisions, in case of high discount rates and large profits, is illustrated by the accounts for 1907. Net profits stood at 52,313,651 marks, against 40,262,908 marks in 1906. The three and a half per cent, dividend to shareholders called for 6,300,000 marks, and the division of the remainder according to law gave 34,510,238 marks to the state and only 11,503,413 marks to shareholders. Even under these conditions their dividend was at the rate of 9.89 per cent, as compared with 8.22 per cent, in 1906. If the tax on excess circulation is taken into account, the government received 40,110,936 marks (\$9,450,000) against 29,1^4*530 marks in 1906.—Bulletin de Statistique, April, 1908, I/XIIL, 478.